MANAGEMENT CONFERENCE 1983

Summary

Item 1: Agenda

Purpose: To provide direction for spring planning
To provide direction for budgeting
To discuss process and expected results for spring conference

Pre-Conference Activity:

- Distribute Minister's speeches
Deputy Minister's speeches
Second Evaluation
Budget Breakdown or Summary
Regional Perspective

- Reference 1982 Spring Conference Summary
Department and Division Objectives

Agenda:

January 26

8:30 A.M. Opening Remarks
Affirm Purpose of Conference
Confirm Agenda

9:00 A.M. Issue Discussion
Definition of Issue
Definition of Major Issues
Relativity of Issues to Department

10:15 A.M. Coffee

10:30 A.M. Medium Term Outlook for Agriculture
Assumptions for:

a) Agriculture Policy
b) Agriculture Transportation
c) Agriculture Marketing
d) Agriculture Processing

12:00 A.M. Noon Lunch

1:00 P.M. Discuss:
Where are we now?
What are our resources?
What do we want to achieve by 1984?

2:00 P.M. Review Department Objectives
Relativity to:
a) Department Act
b) Budget Grouping
c) Policy as per speeches

3:00 P.M. Coffee

4:00 P.M. Hon. LeRoy Fjordbotten Joins Meeting
Review Issues and Objectives
Discuss Minister's Priorities

5:30 P.M. Adjournment

5:45 P.M. No Host Bar

6:00 P.M. Dinner

7:45 P.M. Minister's Speech

8:45 P.M. Questions and Free Evening

January 27

8:30 A.M. Review Delivery System Assignment
Secretariat

10:00 A.M. Coffee

10:30 A.M. Discuss Measurement
Criteria for Division Objectives
How will you know you have accomplished objective?

12:00 P.M. Lunch

1:00 P.M. Guidelines for Spring Conference
Results Expected from Spring Conference
Second Evaluation

3:00 P.M. Deputy Minister's Remarks

3:30 P.M. Adjournment

Item 2: Discussion of Issues

The issues identified in 1982 were reconsidered and grouped in the following matrix.

The matrix or grid is direction in itself as it defines priority issues related to farm and agribusiness survival as well as indicating those issues that are relevant to survival and long term growth and development.

ISSUES

for survival (0 - 3 years)		for long term growth & development (3 yrs. +)	
Farmer	Agribusiness & Processors	Farmer	Agribusiness & Processors
. . . . . PRODUCTION EFFICIENCY			
Cash flow		. . .Technology Transfer. . .	
Off farm income opportunities		. . . . . Research	
		. . . Transportation	
i.e. Stop Loss . . . . . STABILIZATION			
	Marketing Spot Sales	Land & water management	(water management)
		. . . Market Development . .	
		Ag. Chemicals & environment aspects	Processing opportunities for value added
		Human Resource Development	
		Public Image of Agriculture	
. . . . . DEPARTMENT/CLIENT RELATIONS			
Erosion of farm services		Erosion of farm services	
			Location relative to production

Item 3: The third item for discussion was the Medium Term Outlook for Agriculture. The assumptions on which this outlook should be based were discussed at some length. The following list of assumptions were agreed upon after discussion with the Minister. The final edition of the outlook paper is attached as Appendix 1.

Conditions likely to prevail over 3 - 5 year period projections:

1. See no reduction of regulation in Canadian agriculture policy, although potential exists for de-regulation in Feed Grain Policy.

2. Grain transportation policy relating to "Crow" will be resolved in 1983 with adoption of somewhat revised "Gilson". (there will be policy implications with which will be evident following evaluation).

3. Little or no increase in prices for agricultural commodities and it is unlikely that the Federal Government will inject any financial support into grain market.

4. Out of the current recession will come more cautious producers who will not require as much new capital financing, but will be hungry for technology and financial management advice and information. While most producers will be able to retain most of their competitive advantage in producing and marketing agricultural products, some may require specific assistance to maintain their operations. Availability of operating capital may be a limiting factor.

5. Land prices and land rentals will become more closely reflective of the productive repayment capacity of the land.

6. There will be a continued demand shift (principally price related) toward poultry meats at the expense of red meats. This shift will be slow, however, unless supply management in the poultry sector breaks down and rapid expansion occurs as a result.

7. Consumerism and environmental influences on the agricultural industry will increase, although other economic impacts will tend to slow the <u>rate</u> of increase.

8. Export markets for agricultural commodities will continue to demand unprocessed rather than processed commodities, although some opportunities may develop for additional activities in specific processed markets as a result of expanding requirements of developed countries.

9. While there does not appear to be any major breakthrough technology on the horizon which will substantially change the present production of the province generally, some specific crops or commodity areas may be affected either locationally or economically. For example, the development of a canola variety suitable for irrigated land or a vaccine for calf scours, (both of which could be imminent) could have substantial impact in the five-year period. Other technological advances presently underway may take longer for their impact to be realized. Some potential for increased production exists as a result of better use of existing technology.

10. Only limited development of new or existing land in Alberta will occur, although activities now underway or contemplated by interdepartmental committees must be maintained.

11. Alberta will be able to remain competitive in domestic and world markets, particularly in respect of grains and oilseeds, and should be able to maintain and improve her current share of these markets.

12. The demise of local agri-business will reduce access and increase cost of services, e.g., fertilizer and machinery dealerships.

13. The availability of labor for farm and industrial enterprises will reflect general Alberta conditions, but should result in downward pressure on labor costs.

14. Prince Rupert terminal operating.
Expanded rail capacity, i.e., double tracking.

Item 4: Agenda item four was a discussion on current status and expectations of the department.

The situation with respect to characteristics of the industry and the department and the resources of the industry and department was outlined as per the following pages.

THE AGRICULTURE INDUSTRY

Where are we now?

Industry	Department
- Declining revenues(net)	- nil budget growth
- reduced equity	- re-direction
- weak demand forecast	- re-organization
- latent resources	- opportunities for improvement
- net worth decreased	- jurisdictional definition
- under employment	-
- over capacity	
- unrealistic expectancy	
- militancy	
- lack of venture capital	
- reluctance to accept technology (invest in)	
- uncertainty	
- lack of incentive to invest	
- opportunities for improvement through research	

What are our resources?

Positive Government Attitude

- capacity
- managerial skills
- land & water resource
- climate
- professional resources
- low debt equity ratio
- operational skills
- physical plant
- technology
- energy
- diversification
- farm specialization
- high entrepreneurial attitude
- adequate staff numbers
- latent resources
- information
- budget good
- staff technological competence
- staff attitude & commitment
- good physical plant

From the above material an outline of opportunities for the industry and possible assistance from the Department was drafted.

Opportunities for Growth Areas	Industry	Industry/Department role
	Cattle & Hogs	- Persuade other Gov'ts to let natural market forces work - offset unnatural actions - promote Gilson - market development - systems development - promote industry harmony
	Horses	- nutrition, winter survival (Metis)?
	Sheep	- pilot project for stabilization
	Corn (starch/sweetener/grain lentils, fibre, flax, forage seeds contract seed multiplication Irrigated Canola Processed vegetables	monitor and support
	Canola	- improve yield
	Barley bared sweetener	- feeding trials, marketing regional varieties
	All major field crops	- improve yield/agronomics - improve transfer of info, system improvement

Item 6: The Minister joined the meeting late in the afternoon and made a few brief remarks on a variety of subjects.

After dinner the Minister discussed the assumptions for the agriculture outlook paper. The points reported previously incorporate the benefit of the Minister's comment.

MINISTER'S REMARKS (summary)

Tight budget	-	Alta. spends 30% more than other provinces on its citizens
Agriculture	-	flagship department
Job will change	-	can't fix everything with a cheque
Clients	-	high expectations
	-	swiftly changing demands
Monkeys	-	Crow
		Red Meat Stabilization
		Financing - Interest Free!
		Secondary Processing
		OPEC - instability
		Trade War Possibilities
		Agribusiness Failures
Treasury Branch	-	prospects for intervention recommendations
	-	charter?
	-	jurisdiction?
	-	funds?
	-	network?

Captial Gains on Farmland

Avoid government intervention in business failure if possible.

Provide material for M.L.A. briefing	-	what is happening
	-	what is available

Crow - Minister's study
wait for commodity group response
Feb. 1
Response from Western Premiers

D.A.'s not serving needs?
not up to date?
home ec. services?
who do we serve - limited dollars
limits to services
impression received from farmers re: D.A.'s

- who you serve depends on where you are
  *rural farmers
  rural farm families
  agribusiness

Re organization & Client Needs - service improvement - effectiveness
avoid ad-hoc - stop gap measures

Item 7: The proposed review of the delivery system by the Secretariat was discussed. A list of objectives to be met by the review in satisfying Directors expectations was generated and incorporated in the outline received by Management Committee dated February 4th.

Item 8: The final item for discussion was Guidelines for the Spring Conference.

- A second evaluation for the 1982 Spring Conference was reviewed.
- The Spring Conference was set for May 17 & 18, 1983.
- Pre-conference material to include
  a) Summary Report of Management Conference
  b) Report on Follow-up to 1982 Spring Conference Issues.
- The theme of the Spring Conference is to be Post Crow Environment.
- The output of the conference is to provide guidance for
  a) design of extension programs
  b) research recommendations
  c) definition of opportunity areas of new activity

Note: The contents of item 7 and 8 have been changed since the Management Conference took place.